

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with NSA on Internal Administration of Thrift Savings Program

List of Attendees:

[Redacted List of Attendees]

1. A meeting was held on 10 February 1987 at the request of [Redacted] NSA, Head of the Finance and Accounting Directorate and the other individuals indicated above to discuss the possibility of NSA administration of the Thrift Savings Plan (TSP). [Redacted] had called two weeks earlier to set up a meeting because his management had been concerned about the possible compromise of NSA employees who had accounts with the Thrift Board. I had delayed that meeting pending a further discussion with the Thrift Board regarding the handling of our employees who are under cover with State and other Agencies. The meeting with the Thrift staff members was held on 9 February and so we were prepared to deal with some of these issues at the meeting.

2. [Redacted] opened the meeting with a discussion of the security issues as seen from NSA's viewpoint. I acknowledged that NSA had not given sufficient [Redacted] to the security implications of having the Thrift Board have access to their employees names [Redacted]

[Redacted] I anticipated that he had spoken with the Thrift Savings Board and that they were willing to provide to NSA the authority to administer the Thrift program internally. The Board did not feel it was necessary to get Congressional approval acquiring this authority.

3. [Redacted] also stated that the Drug Enforcement Agency and FBI were also concerned about the security of their people and were considering seeking authority to also have internal administration authority. I answered a number of questions about how we were planning to automate our record keeping function for the Thrift.

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4. I recounted our effort to solicit bids from companies in the private sector that had similar plans and to visit their facilities in order to evaluate their software. I indicated that after this evaluation we would determine whether we would modify existing commercial software or develop our own with internal resources. The NSA representative expressed interest in learning about the outcome of these visits and I promised that we would keep them advised.

STAT 5. There was some discussion of the handling of various types of [redacted] attendant problems. [redacted] made a proposal that the Agency administer the record keeping for NSA employees as well as our own employees. He indicated that this idea had not been approved by senior NSA management but was something that he wanted to explore with us to get our reaction. [redacted] expressed willingness on the part of NSA to provide money and resources to the Agency to take on this effort. After a prolonged silence, several Agency representatives responded by pointing out problems that would be encountered in accepting the suggestion. I indicated that while I could not speak for the Agency I would not think that administering a program for NSA employees would be something that would be well received at the Agency. I outlined what I considered to be some security considerations and technical problems that would hinder such a situation. I also indicated that given the [redacted] available to develop the software, it seemed unlikely that we would be able to have a system prepared for both Agencies that would serve the needs of both in that timeframe. I indicated our willingness to share our software and our experience in developing that software but I would have to determine the willingness of Agency management to get involved in this type of enterprise. [redacted] said that he would float the idea to his senior managers and asked if we would do the same. Mr. [redacted] also posed the possibility of the Agency performing this record keeping function on behalf of the entire intelligence community. STAT

STAT 5. The remainder of the meeting revolved around discussion of a number of issues. Some of these included the number and types of accounts that would have to be maintained for each individual; fiduciary responsibilities, the audit responsibilities of the Thrift Savings Board and also possible audit responsibilities by the Department of Labor and non-discrimination issues. [redacted] asked if the non-discrimination rules for the rest of the Federal government would apply to the Agency or if special rules would be developed for the Agency. I reiterated [redacted] comment of the previous day in which he indicated that he would try to enable Agency employees to benefit from the more favorable rules. I indicated that the IRS had not yet blessed [redacted] approach but that we would be discussing the matter with them. The meeting closed with the promise to meet periodically with regard to the situation so that neither of us would be reinventing the wheel. STAT

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Next 5 Page(s) In Document Denied